

## Message Text

CONFIDENTIAL

PAGE 01 BONN 14066 291515Z  
ACTION SS-25

INFO OCT-01 ISO-00 SSO-00 /026 W  
-----099751 291516Z /46  
O 291508Z AUG 77  
FM AMEMBASSY BONN  
TO SECSTATE WASHDC IMMEDIATE 0984  
INFO USMISSION USBERLIN IMMEDIATE  
AMEMBASSY LONDON IMMEDIATE  
AMEMBASSY PARIS IMMEDIATE

C O N F I D E N T I A L BONN 14066

EXDIS

E.O. 11652: GDS  
TAGS: EAIR, PGOV, WB, GW, FR, UK, US  
SUBJECT: CIVAIR: INTERNAL GERMAN SERVICE FARE INCREASE  
PROPOSAL

REF:A.USBERLIN 2255 B. BONN 13524 (EXDIS)

1. EMBASSY CANNOT CONCUR WITH SUGGESTION PARA THREE  
REFTEL THAT HIGHER FARE INCREASE THAN ECONOMICALLY  
JUSTIFIED IN OPINION OF CAB SHOULD BE ALLOWED PAN AM  
TO ENCOURAGE THAT COMPANY TO REMAIN IN BERLIN OVER  
LONG TERM AND TO CONTINUE TO OPERATE UNPROFITABLE ROUTES.  
WE BELIEVE MAXIMUM CONCESSION WE SHOULD MAKE ON LATTER  
PROBLEM IS TO PERMIT SOMEWHAT HIGHER INCREASE ON CERTAIN  
ROUTES SO LONG AS OVER-ALL INCREASE NOT ABOVE LEVEL OF  
FAIR RETURN ON INVESTMENT.

2. WE BELIEVE ALLOWING HIGHER INCREASE FOR ABOVE  
REASONS WOULD BE QETTING ON VERY DANQUEROUS  
GROUND. TO DO SO WHILE REPRESENTING INCREASE AS  
ECONOMICALLY JUSTIFIED TO FRG AND BERLIN GOVERNMENTS  
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 BONN 14066 291515Z

AND PUBLIC WOULD BE ACTING IN BAD FAITH AND WOULD  
PROBABLY BECOME KNOWN SOONER OR LATER. TO DO SO OPENLY  
WOULD SURELY BRING STRONG CRITICISM FROM OFFICIALS AND  
THE PRESS.

3. WE ARE VERY DUBIOUS THAT GALLAGHER'S REMARKS ARE  
VALID ON PAN AM'S VIEWS OF THE IGS, HAVING RECENTLY

HAD A CONTRARY STATEMENT FROM PAN AM'S MANAGING  
DIRECTOR FOR GERMANY AND CENTRAL EUROPE THAT HE WAS  
DELIGHTED WITH THE IGS BECAUSE IT WAS "A MONEY MAKER".  
IF IN FACT PAN AM CAN BE KEPT IN BERLIN OVER THE  
LONG RUN ONLY BY THE CAA'S PERMITTING IT EXTRAORDINARY  
PROFITS, THIS WOULD BE DIFFICULT TO ACCEPT. THERE ARE  
MANY PEOPLE, BOTH GERMANS AND AMERICANS, WHO BELIEVE  
PAN AM IS ALREADY MAKING EXTREMELY HIGH PROFITS ON THE  
IGS. TO MAKE THIS OFFICIAL POLICY WOULD PUT THE ALLIED  
GOVERNMENTS IN AN EXPOSED AND PROBABLY UNTENABLE  
POSITION.  
STOESSEL

CONFIDENTIAL

NNN

## Message Attributes

**Automatic Decaptioning:** Z  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** CIVIL AVIATION, BERLIN AIR ACCESS, AIR ROUTES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Sent Date:** 29-Aug-1977 12:00:00 am  
**Decaption Date:** 22 May 2009  
**Decaption Note:** 25 YEAR REVIEW  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1977BONN14066  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D770311-1014  
**Format:** TEL  
**From:** BONN  
**Handling Restrictions:**  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1977/newtext/t19770814/aaaaalhf.tel  
**Line Count:** 74  
**Litigation Code IDs:**  
**Litigation Codes:**  
**Litigation History:**  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Message ID:** a40b5851-c288-dd11-92da-001cc4696bcc  
**Office:** ACTION SS  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** EXDIS  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** EXDIS  
**Reference:** 77 USBERLIN 2255  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 04-Feb-2005 12:00:00 am  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 1454972  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** CIVAIR: INTERNAL GERMAN SERVICE FARE INCREASE PROPOSAL  
**TAGS:** EAIR, PGOV, WB, GE, FR, UK, US  
**To:** STATE  
**Type:** TE  
**vdkgvwkey:** odbc://SAS/SAS.dbo.SAS\_Docs/a40b5851-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
22 May 2009  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009